

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 6265**

**BILL NUMBER:** SB 43

**NOTE PREPARED:** Jan 25, 2008

**BILL AMENDED:** Jan 24, 2008

**SUBJECT:** Environmental Matters.

**FIRST AUTHOR:** Sen. Gard

**FIRST SPONSOR:**

**BILL STATUS:** 2<sup>nd</sup> Reading - 1<sup>st</sup> House

**FUNDS AFFECTED:** ☒ **GENERAL**  
☒ **DEDICATED**  
☐ **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) *Environmental Rules*. This bill requires, with respect to environmental rules subject to automatic expiration, the Department of Environmental Management (IDEM) or the appropriate rulemaking board to publish a notice identifying which of the rules will be readopted. It requires IDEM or the board, on request of a person, to consider readoption of an environmental rule that IDEM or board proposes to allow to expire.

*Solid Waste Management Fund (SWMF)*. The bill allows use of the state SWMF to provide grants and loans to promote beneficial uses of technologies for the conversion of solid waste into energy or another useful product. The bill directs IDEM in providing the grants and loans to: (1) consider electronic waste projects; and (2) consider technologies for the conversion of waste tires into energy or another useful product only if the balance in the Waste Tire Management Fund is insufficient to remove and dispose of one-half of the total number of waste tires located at unregulated tire sites.

*Storm Water Management*. The bill establishes procedures to prevent a county department of storm water management and a municipal works board from imposing fees in the same area for storm water management.

**Effective Date:** Upon passage.

**Explanation of State Expenditures:** *Environmental Rules*. IDEM should be able to publish a notice identifying which of the rules will and will not be readopted given its existing level of resources. IDEM would also have the budget and resources to consider readoption of rules. For FY 2007, IDEM reverted \$2.7 M to the state General Fund.

(Revised) *Solid Waste Management Fund*. Allowing use of the state SWMF to provide grants and loans to promote beneficial uses of technologies for the conversion of solid waste into energy or another useful product will likely result in more expenditures from the fund. The amount of expenditures that will be awarded is indeterminable. The bill directs IDEM in providing the grants and loans to (1) consider electronic waste projects; and (2) technologies for the conversion of waste tires into energy or another useful product only if the balance in the Waste Tire Management Fund is insufficient to remove and dispose of ½ of the total number of waste tires located at unregulated tire sites.

**Background.** A \$0.50 per ton fee is imposed on the disposal or incineration of solid waste in a final disposal facility. For FY 2006, \$5.3 M was generated from these fees. Currently, not less than 50% of the revenue in the fund is deposited in the Indiana Recycling Promotion and Assistance Fund and not more than 50% in the state Solid Waste Management Fund. As of November 17, 2007, the Solid Waste Management Fund had a balance of \$1.1 M. As of the same date, the Indiana Recycling Promotion and Assistance Fund had a balance of \$1.2 M.

For 2007, IDEM reverted about \$675,000 from the Waste Tire Management Fund; \$114,000 from Household Hazardous Waste; and \$176,000 from the State Solid Waste Grants Management Fund.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** *Solid Waste Management Fund*. Adding a new category of grants may result in additional revenue for some solid waste management districts. There are 68 solid waste management districts. The primary sources of revenue for the districts are property taxes, service fees, intergovernmental grants, and miscellaneous revenue.

*Storm Water Management*. The bill establishes procedures to prevent a county department of storm water management and a municipal works board from imposing fees in the same area for storm water management. Local units, if any, that are imposing fees on the same area could lose revenue. If the provision encourages local units to agree on fees in the future, then future revenue streams should not be affected. However, if local units cannot agree, then units may lose revenue. The impact will depend on local action.

**State Agencies Affected:** IDEM.

**Local Agencies Affected:** County departments of storm water management and municipal works boards, and SWMDs.

**Information Sources:** IDEM.

**Fiscal Analyst:** Bernadette Bartlett, 317-232-9586.